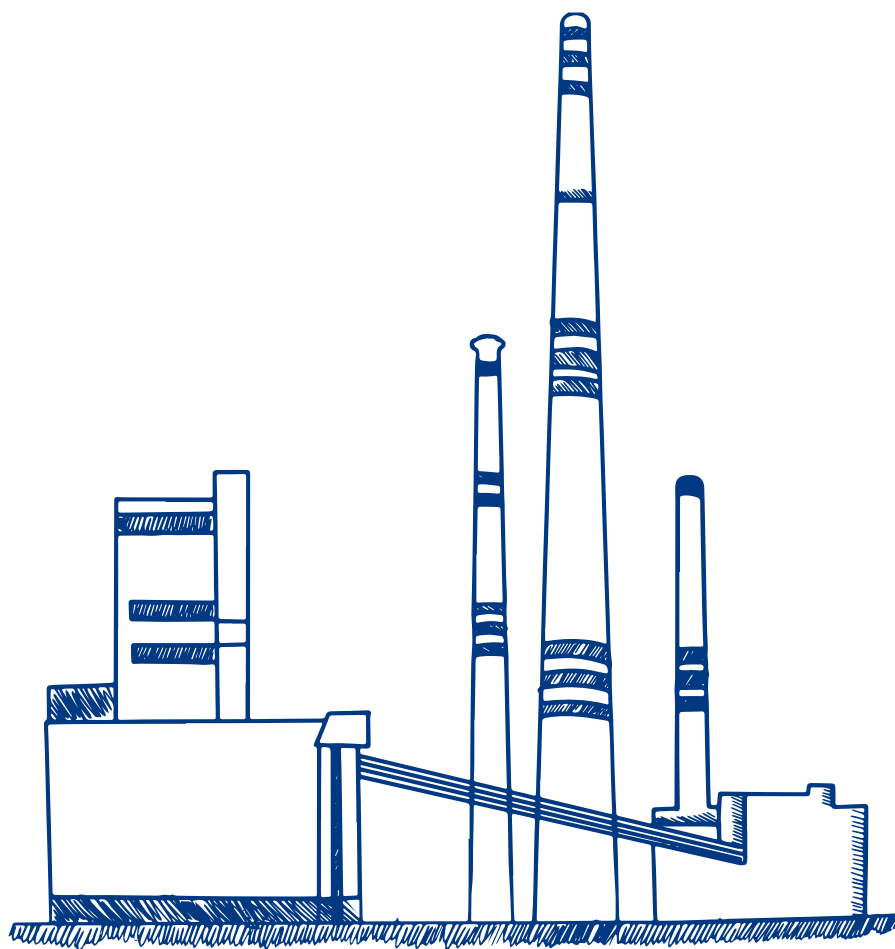


# Kosovo

## Annual Implementation Report






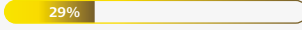














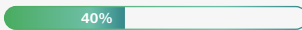








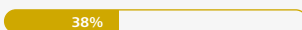
1 November 2020





# Kosovo\*

## Summary Implementation

Summary Indicators	Transposition Assessment	Implementation Status	Descriptions
 Electricity		 62%	Implementation in the electricity sector of Kosovo* is well advanced.
 Gas*		 29%	Implementation in the gas sector of Kosovo* is still at an early stage.
 Oil		 40%	Implementation in the oil sector of Kosovo* is still at an early stage.
 Renewable Energy		 56%	Implementation in the renewable energy sector of Kosovo* is moderately advanced.
 Energy Efficiency		 61%	Implementation in the energy efficiency sector of Kosovo* is well advanced.
 Environment		 56%	Implementation in the environment sector of Kosovo* is moderately advanced.
 Climate		 40%	Implementation in the climate sector of Kosovo* is still at an early stage.
 Infrastructure		 88%	Implementation in the infrastructure sector of Kosovo* is almost completed.
 Statistics		 80%	Implementation in the statistics sector of Kosovo* is well advanced.
 Cybersecurity		 38%	Implementation in the cybersecurity sector of Kosovo* is still at an early stage.

\* Due to the lack of a gas market, implementation of the gas acquis is not taken into account in the overall score of Kosovo\*.

Overall number of cases: **3**

Procedure by Article **91**

ECS-7/11 State aid

ECS-6/18 Environment

ECS-4/19 State aid



## Kosovo\*

# State of Energy Sector Reforms

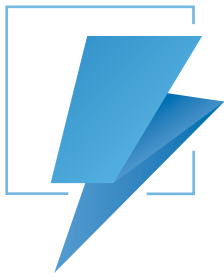
Kosovo's\* electricity transmission and distribution system operators are unbundled in a manner compliant with the Energy Community rules. The wholesale electricity market and the supply of (three) high voltage customers are deregulated, but liberalization has stalled for customers on medium voltage levels. The contract for the Kosovo e Re project was terminated by the investor, which also ended infringement procedures initiated by the Secretariat. Kosovo\* was the first Contracting Party to transpose the REMIT Regulation. A draft law on compulsory oil stockholding was again not adopted.

In the area of renewable energy, support in the form of feed-in tariffs defined by the regulatory authority ERO is still being awarded administratively, most recently for 25 MW of solar in a manner raising doubts as to the integrity of the procedure. A concept for market-based support schemes is being developed. The share of renewables in gross final energy consumption in 2018 was 24,9%, which puts Kosovo\* on the trajectory for its 2020 target.

An energy efficiency law including a set of by-laws for implementation was adopted and an energy efficiency fund was established as an independent entity. Kosovo\* is the only Contracting Party which, as a non-UN member, is not a signatory of the Paris Agreement. Yet, a climate change concept paper was drafted as well as national GHG inventories, and the 2019-2028 national strategy and action plan on climate change was approved by the Government. A law on climate change was also drafted. Work on the National Energy and Climate Plan is still at relatively early stages, but catching up.

For the emissions from large combustion plants, Kosovo\* has adopted a National Emission Reduction Plan (instead of complying with the emission limit values on an individual basis). It is not implemented in practice (for nitrogen oxide and dust). Kosovo\* paid direct subsidies worth some EUR 6,5 million to support coal-fired power generation in 2019.

Kosovo\* depends almost exclusively on two ageing lignite plants for its electricity. The contract for building a new one, the Kosovo\* e Re project, was cancelled. The development of the electricity sector has suffered from a dispute with the transmission system operator of neighbouring Serbia, which came to an end by the signing of the connection agreement of the transmission system operator with ENTSO-E. Kosovo\* is not connected to any natural gas system. A gas interconnector with North Macedonia would be a cost-efficient option for the import of gas, which could contribute to replacing lignite in power generation, as would market coupling with neighbouring countries. Electricity generated from wind and solar are underrepresented in Kosovo's\* energy mix. The energy intensity of the Kosovo\* economy is almost four times higher than the European Union average.



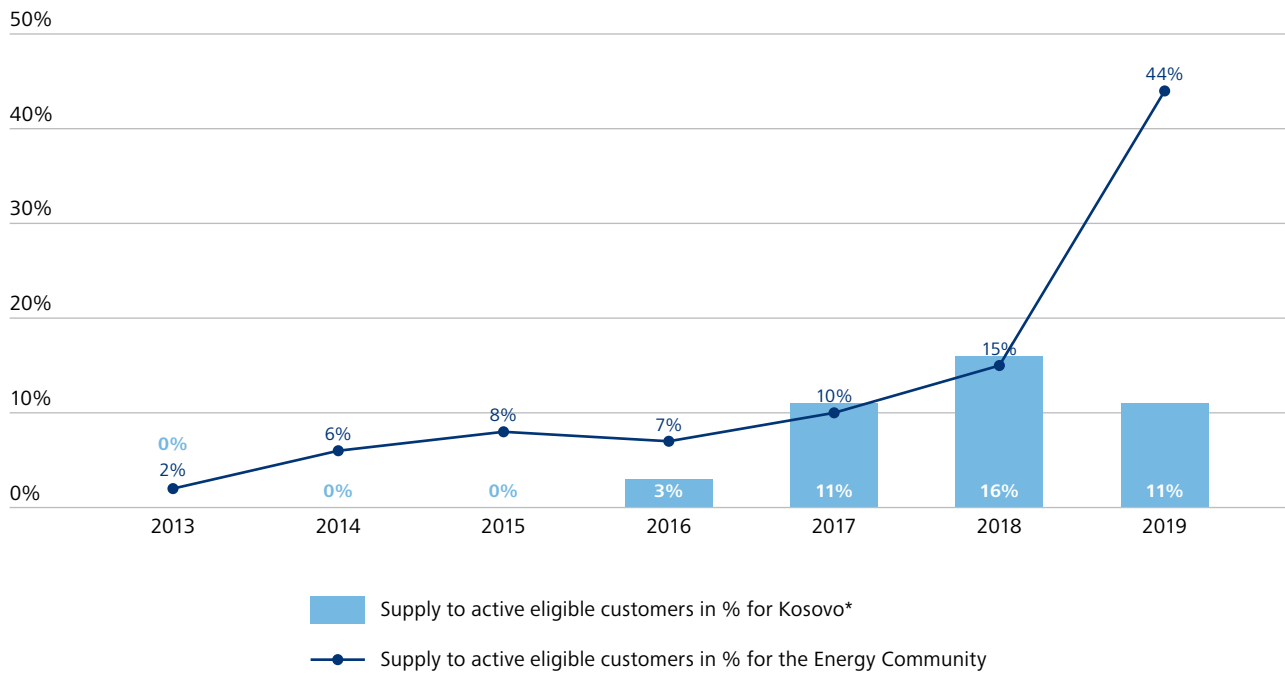
Electricity Implementation

Electricity Indicators	Transposition Assessment	Implementation Status	Descriptions
Unbundling			The transmission system operator is ownership unbundled and was certified in line with the Secretariat's Opinion. The distribution system operator is legally and functionally unbundled.
Access to the system			Network tariffs are non-discriminatory and publicly available. Third party access to the new interconnection line with Albania is still not ensured. The Transparency Regulation is transposed and its implementation has started. The Connection Network Codes are implemented but not formally transposed by a legislative or regulatory act.
Wholesale market			The wholesale market is deregulated. The transmission system operator signed a shareholders agreement with the transmission system operator of Albania for the establishment of the power exchange company ALPEX. A balancing market is yet to be established. REMIT was transposed but remains to be implemented.
Retail market			The retail market continues to be predominantly regulated. Only industrial customers connected to 220kV and 110kV are supplied on the open market. The deadline of April 2020 for customers connected to the 35 kV voltage level to choose their suppliers at unregulated prices was not met. KESCO continues to act as the universal service supplier until 31 March 2021.
Regional integration			The implementation of the connection agreement with ENTSO-E will finally make possible day-ahead and balancing market integration of the electricity markets of Kosovo* and Albania, including the allocation of capacities on the interconnection line with Albania. Other cross-border capacities, currently allocated by EMS of Serbia, are planned to be allocated by SEE CAO as of 2021. The transmission system operator signed an agreement on establishing a Load Frequency Control (LFC) block with the transmission system operator of Albania.

The reporting period was marked by the signing of the connection agreement between the transmission system operator of Kosovo\*, KOSTT, and ENTSO-E, which entered into force in October 2020. The contract for the new Kosovo e Re coal-fired power plant was terminated by the investor. These developments are expected to give rise to day-ahead market coupling and cross-border balancing cooperation, with Albania in the first place.

A contract on the establishment of a joint load frequency control (LFC) block between the transmission system operators of Kosovo\* and Albania was signed in November 2019. Procedures for the dimensioning of balancing reserves and exchange and activation of balancing energy in the control areas and the LFC block were drafted, a public consultation was completed in September 2020.

## Retail Market Opening



Source: Ministry of Economic Development

Furthermore, KOSTT signed a shareholders agreement with the transmission system operator of Albania to establish the power exchange company ALPEX. The establishment and registration of the company was completed in October 2020. The operation of ALPEX and the market coupling of Kosovo\* and Albania should be launched simultaneously in the first half of 2021. Following a recommendation of the Energy Community Regulatory Board, the regulatory authority (ERO) adopted rules setting the procedure for designating the Nominated Electricity Market Operator in line with the Capacity Allocation and Congestion Management Regulation.

In June 2020, ERO approved the Rule on Wholesale Energy Market Integrity and Transparency, transposing the REMIT Regulation.

Following the entry into force of the connection agreement with ENTSO-E, the allocation of capacities on the new 400 kV interconnector between Albania and Kosovo\*, as well as on the interconnectors currently allocated by the transmission system operator of Serbia, will be performed by SEE CAO. Allocation is expected to start with yearly auctions for 2021.

The certification of KOSTT was completed in line with the Third Energy Package in February 2019, following a positive Opinion of the Secretariat. The distribution system operator KEDS is unbundled from supply activities already since 1 January 2015.

Amendments to the compliance programme of 2015 were approved by ERO in February 2020, following which KEDS appointed a compliance officer.

Transmission and distribution tariffs for the period from April 2020 to March 2021 were approved by ERO. The network tariff to be paid by generators connected to the transmission network was decreased in 2020. However, it still exceeds the maximum value allowed by Regulation (EU) 838/2010.

KOSTT set up a transparency platform and started publishing data in line with Regulation (EU) 543/2013. The data are not yet published on the ENTSO-E Transparency Platform. The Connection Network Codes are implemented through amendments to the grid code, however, formal transposition by a legislative or regulatory act is still missing.

For the third consecutive year, there was no progress towards opening of the retail market for medium voltage customers. Despite the deadline for 35 kV customers to choose their supplier on the free market until 1 April 2020, they continue to be supplied by the universal supplier at regulated prices. In July 2020, the regulator adopted a decision extending the obligation imposed on the supply company KESCO to perform universal supply until 31 March 2021. The extension was justified by reference to the Covid-19 crisis.



# Kosovo\*

## Gas

### Gas Implementation

Gas Indicators	Transposition Assessment	Implementation Status	Descriptions
Unbundling		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; display: flex; align-items: center; justify-content: center;"><span style="margin-right: 5px;">0%</span></div>	Ownership unbundling will be the only applicable model for a future transmission system operator.
Access to the system		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; display: flex; align-items: center; justify-content: center;"><span style="margin-right: 5px;">0%</span></div>	Kosovo* does not have a gas network and thus has not adopted any tariff methodology or network code.
Wholesale market		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; display: flex; align-items: center; justify-content: center;"><span style="margin-right: 5px;">0%</span></div>	Market rules do not exist in Kosovo*.
Retail market		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; display: flex; align-items: center; justify-content: center;"><div style="width: 10%; background-color: #007bff; border-radius: 5px;"></div><span style="margin-left: 5px;">10%</span></div>	There are no gas supplies and consequently no retail market exists in Kosovo*.
Interconnectivity		<div style="border: 1px solid blue; border-radius: 10px; width: 100%; height: 15px; display: flex; align-items: center; justify-content: center;"><div style="width: 12%; background-color: #007bff; border-radius: 5px;"></div><span style="margin-left: 5px;">12%</span></div>	Kosovo* developed some security of supply rules. Options to enable access to a gas market are under discussion.

Kosovo\* has no gas market at present. Despite its ambitious plans to establish a national gas market as part of a wider decarbonisation agenda, no activities took place in adopting gas market secondary legislation. The creation of an adequate regulatory framework is crucial for the future of gas supply to Kosovo\*.

However, during the reporting period, Kosovo\* started engaging in developing a feasible and realistic supply route from North Macedonia, in addition to or instead of the favoured connection with Albania's gas network. The North Macedonia – Kosovo\* interconnector is gaining momentum and could receive assistance from international funds.

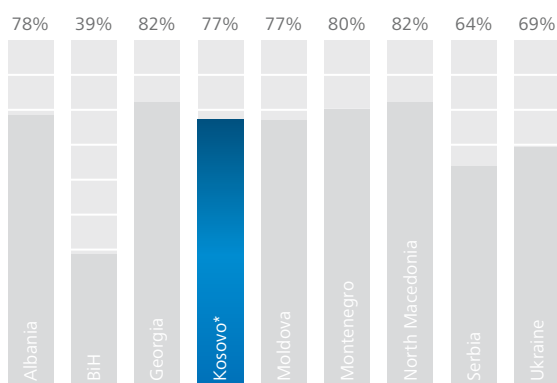


# Kosovo\*

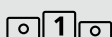
## National Authorities



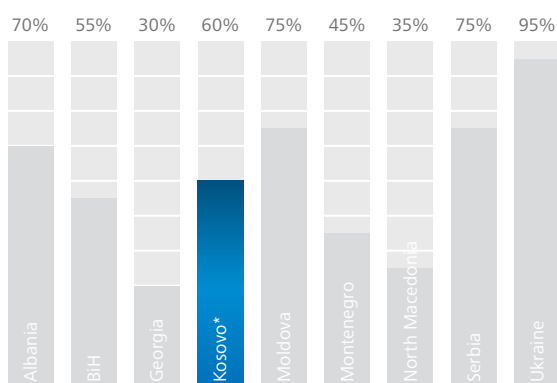
### Regulatory Authority



The Energy Regulatory Office (ERO) continued transposing new acquis. The electricity Network Codes are part of secondary regulatory rules. Regulatory criteria based on which derogations from the Codes can be granted are not in place yet. Adoption of the REMIT Regulation and rules for approval of a Nominated Energy Market Operator underline ERO's commitment to advance energy reforms. On the other hand, the Secretariat monitored shortcomings in the allocation of support for additional 20MW of solar capacity. Also, ERO, since April 2018, delayed market opening several times for customers connected on 35 and 10 kV. Should the vacant chair post not be filled by mid December 2020 when the term of two board members will expire, ERO will lose its decision-making quorum which jeopardizes functional independence.



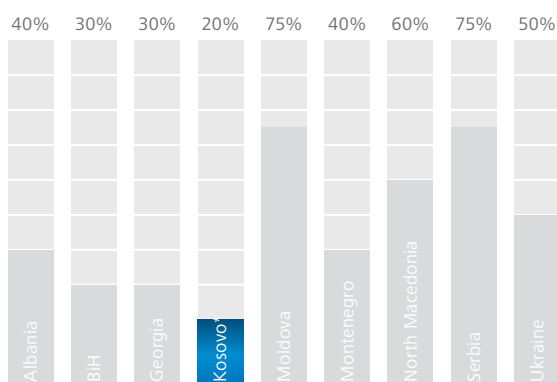
### Competition Authority



In the reporting period, the Kosovo Competition Authority closed an investigation on the market for oil derivatives against sixteen companies, imposing a fine on 14 of them of EUR 4 million in total. No further enforcement activities in the energy sectors (in particular following the sector inquiry of the electricity market initiated in June 2019) have taken place.



### State Aid Authority



The authority responsible for enforcing the Law on State Aid consists of a State Aid Department (SAD), which receives, analyses and monitors notifications, and a State Aid Commission (SAC), the decision-making body. Following the integration of the SAD into the Ministry of Finance, its independence is questionable. Despite its limited human and technical resources, the SAD has started to investigate State support in the coal and renewable energy sectors. However, so far, no decision enforcing the State aid acquis has been rendered and there have been no enforcement activities in the energy sectors since the Law on State Aid first entered into force in 2014. A case regarding state support to the Kosova e Re project is still pending.



## Kosovo\* Oil

### Oil Implementation

Oil Indicators	Transposition Assessment	Implementation Status	Descriptions
Stockholding obligation			The current legislative framework imposes an obligation on the industry to keep oil stocks in the amount of 5% of the company's oil storage capacity but not for emergency oil stocks purposes.
Emergency procedures			Kosovo* is currently lacking legislation concerning the release of emergency oil stocks.
Fuel specifications of petrol, diesel and gas oil for non-road mobile machinery (NRMM)			With the 2017 Administrative Instruction on the quality of petroleum-derived liquid fuels, Kosovo* has transposed the main requirements of the Fuel Quality Directive. This Instruction applies to petrol and diesel in accordance with European standards. The sulphur content of gas oil for NRMM is not specified and leaves room for misinterpretation.
Monitoring compliance and reporting including the lay down the rules on penalties			The suppliers are obliged to guarantee the quality of petroleum-derived liquid fuels placed on the market. The quality is verified by laboratory tests as set out in the annual quality monitoring programme. There are detailed penalty measures specified in the current legislation. In case the fuels do not meet the technical requirements after testing, they must be withdrawn from the market.

There was no progress during the reporting period. The Oil Market Law of 2005, as amended in 2009, fails to meet the requirements of the Oil Stocks Directive. Back in 2014, the Ministry of Trade and Industry finalized a compliant draft Law which was expected to be adopted in the fourth quarter of 2016 or first quarter of 2017. Despite the Secretariat's backing of the draft Law, the Government has not approved it so far.

Kosovo\* has transposed the main provisions of the Fuel Quality Directive. Certain diesel specifications (manganese maximum limit, cetane number, oxidation stability and distillation) should be improved by amending the 2017 Administrative Instruction. Sulphur content in gas oil for non-road mobile machinery (NMRR) should also be specified.





## Kosovo\* Renewable Energy

### Renewable Energy Implementation

Renewable Energy Indicators	Transposition Assessment	Implementation Status	Descriptions
National Renewable Energy Action Plan			Kosovo* submitted its NREAP as well as all three Progress Reports on implementation of the Renewables Directive to the Secretariat. Kosovo* has registered a 24,9% share of energy from renewable sources in 2018, putting it back on the trajectory to reach its 25% target in 2020.
Quality of support schemes			The support scheme for renewable energy is currently based on administratively set feed-in tariffs. A concept for a market-based support scheme is being drafted. Renewables producers admitted to the support scheme are entitled to sell their electricity output to the market operator.
Grid integration			Based on the electricity law, the regulator amended the methodology on connection conditions and approved rules on charges for renewables projects. Based on the same law, the transmission system operator is obliged to give dispatching priority to generating installations using renewables grounded on transparent and non-discriminatory criteria. Producers with an installed capacity equal to or higher than 500 kW are responsible for 25% of their total imbalance costs.
Administrative procedures and guarantees of origin			The regulation on the creation of a one-stop shop was adopted by the Government in 2018. As per the regulation, harmonization should be done through the inter-institutional coordination commission of all authorities involved in renewables investments. By the decision of the Ministry, in May 2019, the commission is established and in June it held its first meeting. An electronic system for issuing, transfer and cancellation of guarantees of origin is not in place.
Renewable energy in transport			Provisions related to the sustainability of biofuels are still not transposed and the legal framework remains completely non-compliant with Directive 2009/28/EC.

There were no significant improvements in the transposition and implementation of the renewables acquis during the reporting period in Kosovo\*.

Through an administrative instruction from 2017, Kosovo\* raised its ambition to reach a voluntary renewable energy target of 29,89% by awarding an additional 20 MW of solar PV capacity through the support scheme. In November 2019, the regulator adopted a decision to award this capacity through an administratively set feed-in tariff at a level of 85,5 EUR/MWh. Although the proposal to increase renewable energy ambition was welcomed in principle, awarding was done against the

Secretariat's recommendation to conduct competitive bidding which would improve the transparency.

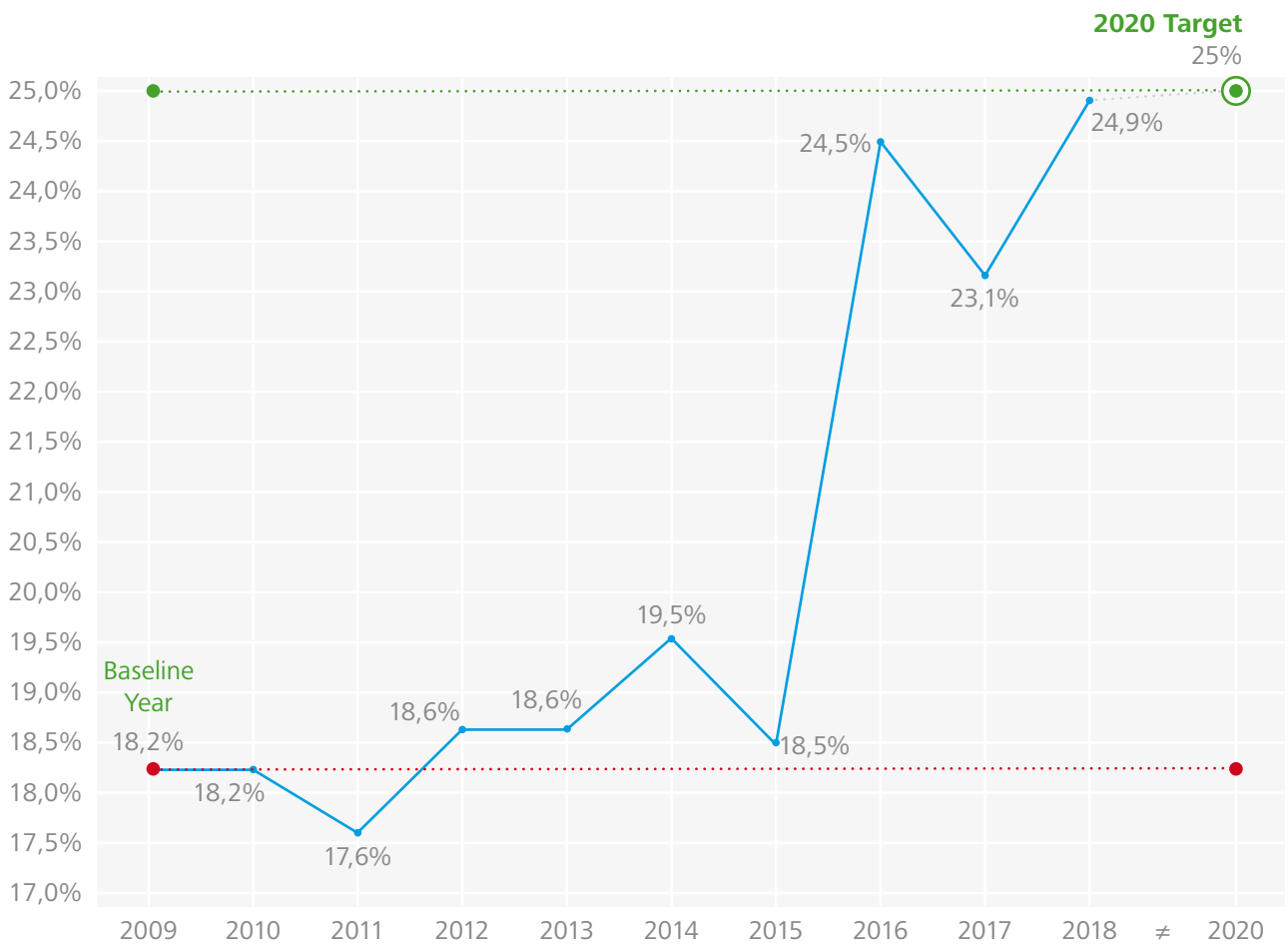
Back in 2010, the regulator as a designated body adopted a Rule on the system of certificates of origin for electricity produced from renewable energy sources. As a first step, the Rule needs to be amended to transpose Article 15 of the Renewables Directive and then an electronic system for issuing, transfer and cancellation of guarantees of origin compatible with the standardized European Energy Certificate System needs to be implemented.

Priorities for Kosovo\* should be the introduction of a mar-

ket-based support scheme in line with the State Aid Guidelines and transposition of provisions related to the sustainability of biofuels. At the same time, an electronic system for guaran-

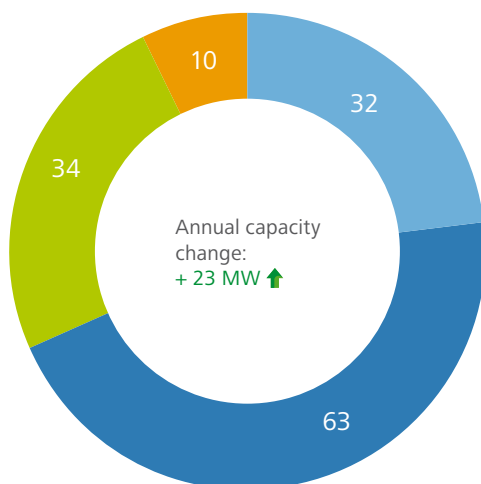
tees of origin should be established and a legal framework for self-consumption improved.

### Shares of Energy from Renewable Sources



Source: EUROSTAT

### Total Capacities of Renewable Energy 2019 (MW)



- Large hydropower
- Small hydropower <10 MW
- Wind
- Solar

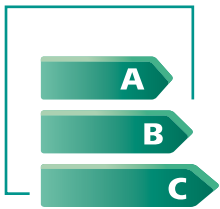
By the end of 2019, Kosovo\* registered 32 MW of large hydropower, 63 MW of small hydropower, 34 MW of wind (Kitka wind farm) and only 10 of MW solar in spite of their potential to be deployed cost-effectively.

With the 24,9% share of energy from renewable sources in gross final energy consumption in 2018, Kosovo\* is on the right path to reach its 25% target in 2020. However, this is mainly due to revision of biomass consumption data. Additional measures, in the first place the introduction of a market-based support scheme, are needed to increase the share of renewable energy in the electricity and transport sector, as well as transparency.

Total capacities of renewable energy (MW):

**139**

Source: Ministry of Economy and Environment/Energy Regulatory Office (ERO), based on ERO Report 2019 and KESCO



# Kosovo\*

## Energy Efficiency

### Energy Efficiency Implementation

Energy Efficiency Indicators	Transposition Assessment	Implementation Status	Descriptions
Energy efficiency targets and policy measures			The 2018 Law on Energy Efficiency set a final energy cap consumption target for 2020, an energy efficiency obligation with a 0,7% target and a 1% annual central government buildings renovation target. The National Energy Efficiency Action Plan (NEEAP) 2019 - 2021, defining the implementing policy measures, was positively assessed by the Secretariat in October 2019 but its adoption is pending. The fourth Annual Progress Report was not submitted.
Energy efficiency in buildings			During this reporting period, a draft plan on nearly zero-energy buildings and a draft building renovation strategy were submitted to the Secretariat, but their adoption (required by the Energy Efficiency Law) is still pending.
Energy efficiency financing			The Energy Efficiency Fund has secured financing until 2022, with EUR 1 mil. annually from the Government, EU grant of EUR 10 mil. and a World Bank loan of EUR 5 mil. In July 2020, the Fund and the Energy Efficiency Agency signed an agreement to support a revolving financial mechanism for the renovation of public (and later residential) buildings. Rules on energy efficient public procurement, Energy Services Companies (ESCO) and energy performance and supply contracts are in line with the acquis. The draft NEEAP includes measures for the development of an ESCO market.
Energy efficient products - labelling			Kosovo* still fails to implement the delegated regulations adopted by the Ministerial Council in October 2014 and November 2018. The 2012 labelling regulation implemented only the Ministerial Council Decision from 2010.
Efficiency in heating and cooling			Kosovo* has district heating systems in four municipalities, which predominately rely on coal (94%) and petroleum products (6%). There is a dual model of billing (metered and unmetered) and the second model prevails at present. The Gjakova municipality is constructing a biomass cogeneration plant, which will replace the existing petroleum heating plant. Kosovo* has not yet assessed its potential for high efficiency cogeneration and efficient district heating and cooling, as required by the Energy Efficiency Directive.

Kosovo\*'s progress during this reporting period was characterised by the drafting of a set of important strategic and legal documents (NEEAP, Building Renovation Strategy and National Plan for Nearly Zero Energy Buildings, by-laws on energy efficient public procurement, energy services and energy audits) and activities of the Energy Efficiency Fund to implement a new financing mechanism for public buildings. However, the

adoption of the remaining secondary legislation required for implementation of the Energy Efficiency Law was delayed.

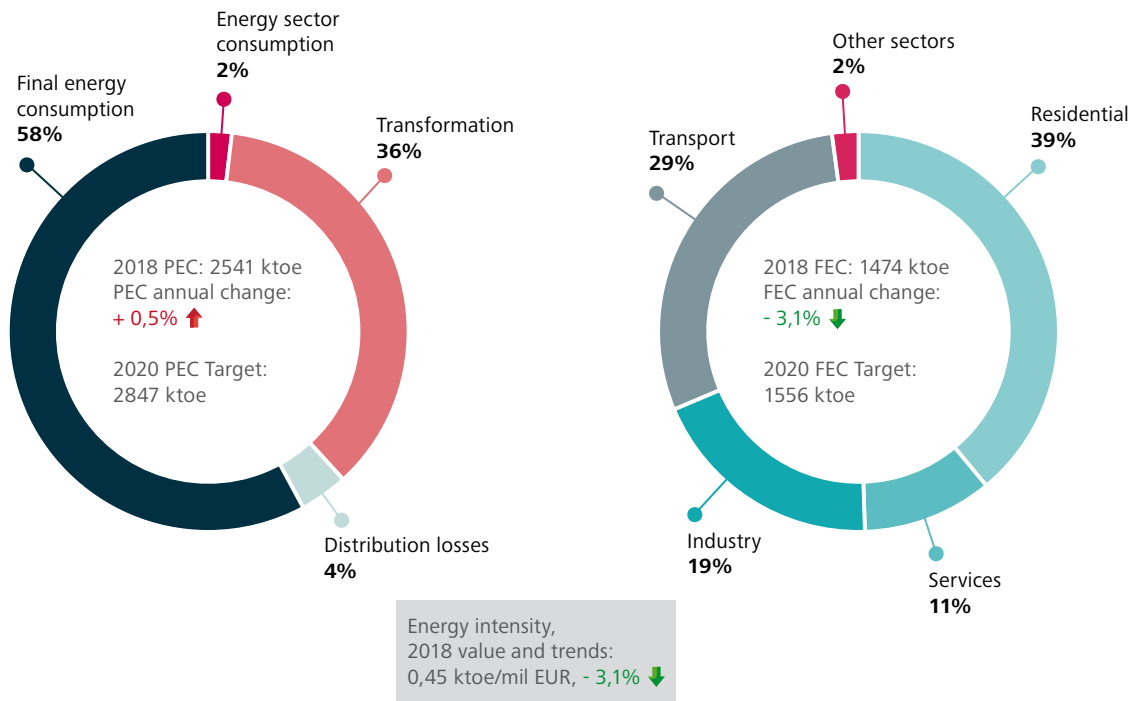
The main priority remains the adoption of the draft NEEAP and secondary legislation to implement the new Energy Efficiency Law. Notification of Article 7 implementation (energy efficiency obligation scheme) and the overall annual report on the prog-

ress in implementation of the Energy Efficiency Directive should be submitted without further delay. A Monitoring and Verification Platform (MVP) should be put into operation and used by the Energy Efficiency Agency for monitoring and verification of energy savings

The transposition of the remaining labelling delegated regulations and the finalization of secondary legislation to introduce energy efficiency criteria in public procurement also remain priorities.

## 2018 Energy Efficiency Indicators and Trends

### Primary Energy Consumption (PEC)      Final Energy Consumption (FEC)



Source: EUROSTAT and World Bank 2020 data and Contracting Party's Annual Reports under Directive 2012/27/EU

## Energy Efficient Products – Overview of Implementation of Labelling Regulation

FRAMEWORK REGULATION*	Household dishwashers	Fridges and freezers*	Household washing machines	Televisions	Air conditioners and fans*	Household tumble driers	Electrical lamps and luminaires	Solid fuel boilers*	Space heaters*	Water heaters & storage tanks	Domestic ovens and range hoods
	●	●	●	●	●	●	●	●	●	●	●

● Adopted and implemented      ● Compliance or implementation issues detected      ● No progress with adoption/implementation

\* The new labelling package adopted by the Ministerial Council in November 2018 was assessed, as the transposition deadline expired in January 2020.

Source: multiple sources of data (EECG reports, NEEAPs etc.), compiled by the Energy Community Secretariat



# Kosovo\*

## Environment

### Environment Implementation

Environment Indicators	Transposition Assessment	Implementation Status	Descriptions
Environmental impact assessment (EIA) and strategic environmental assessment (SEA)			The transposition of Directive 2014/52/EU is not yet finalised. Adoption of new legislation should be supplemented with administrative capacity building and financial support. Environmental assessments in the energy sector need further improvement by ensuring early and effective opportunities for public participation and systematic quality control of environmental reports.
Sulphur in fuels			The legal framework in this area complies with the provisions of the Directive. The competent authorities have to ensure that quality control of the fuels falling under its scope is carried out in a compliant manner.
Large combustions plants and industrial emissions			New legislation on the limit values for emissions of air pollutants from stationary sources that should incorporate the provisions of the Large Combustion Plants and Industrial Emissions Directives is prepared but not adopted yet. Any final decision on existing or new large combustion plants should be postponed until the relevant legislation is adopted.
Nature protection			Kosovo* published the national Red Book of Fauna and drafted new legislation on the designation of new protected areas. An Administrative Instruction on protected and strictly protected wild species was developed and is currently under adoption. Further designation of protected areas and successful implementation of effective conservation measures for rare and endangered species should be a priority.

The legal framework for environmental assessments remains not fully compliant. Due to the Covid-19 situation, the necessary amendments to the Environmental Impact Assessment Law to comply with the provisions of Directive 2014/52/EU, in particular, provisions related to up-date list of Annex I and Annex II projects, quality control of EIA report, type of decisions and their content (new Article 8a), legally binding timeframes, penalties and conflict of interest, were postponed to 2021. With regard to the Strategic Environmental Assessment Directive, a revision of the existing legislation is underway.

Proper implementation of environmental assessments in relation to energy projects, quality control over environmental reports as well as securing early and effective opportunities for public participation remain a challenge. During the reporting period, the Secretariat received a complaint concerning hydropower developments on the Lumbardhi river. The Government should ensure that a strategic environmental assessment for the fore-

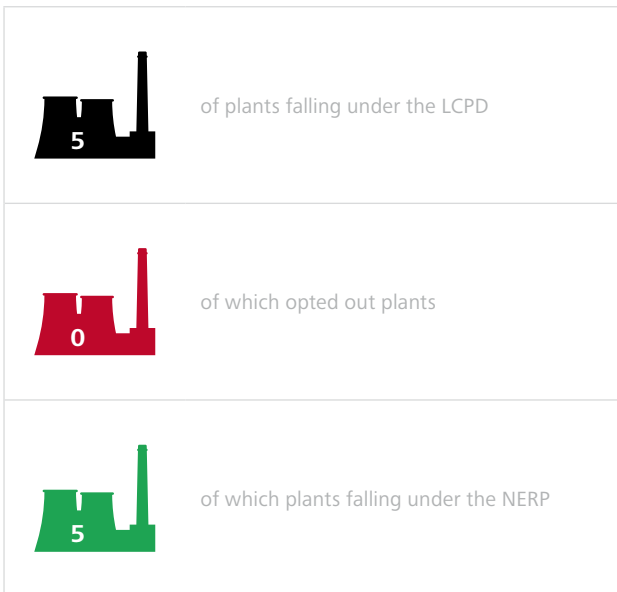
seen National Energy and Climate Plan is conducted as early as possible in the process of the preparation of the document.

Existing legislation in Kosovo\* on the sulphur content of liquid fuels, including the administrative instruction on the technical requirements for import, storage, wholesale and retail sale of petroleum fuels are in line with the provisions of the Directive. Provisions on marine fuels do not apply to this Contracting Party. Kosovo\* is under dispute settlement procedures since 2018 for the incomplete transposition of the Large Combustion Plants and Industrial Emissions Directives, with the Ministerial Council confirming this breach in 2019. In order to rectify this infringement, the Kosovo\* authorities developed amendments to the currently applicable legislation. Kosovo\* complied with its emissions reporting obligations for the reporting year 2019. Emissions from large combustion plants show non-compliance with the ceilings for all three pollutants (sulphur dioxide, nitrogen oxides and dust).

Kosovo\* is neither a signatory to the Ramsar Convention on Wetlands of International Importance, nor to the Bern Convention on European Wild Life and Natural Habitats. New secondary legislation on the designation of protected areas and natural reserves (strictly protected areas) is being prepared and expected to be adopted by the end of 2020. The national Red Book of Fauna

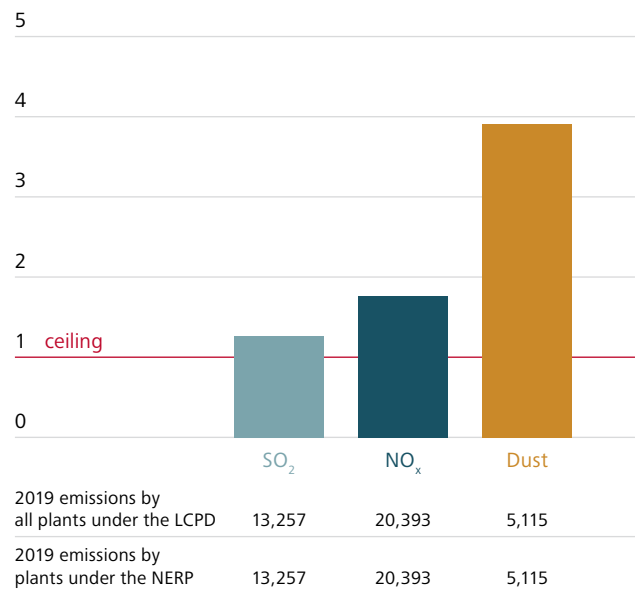
was also published during this reporting period. The Red Book should contribute to planning and successful implementation of activities for the conservation of rare and endangered species and to the assessment of energy-related infrastructure projects that might have an impact on the identified species.

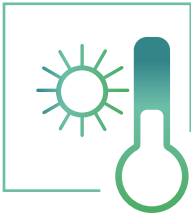
### Installations under the Large Combustion Plants Directive



Source: compiled by the Energy Community Secretariat

### 2019 emissions versus NERP ceilings





## Kosovo\* Climate

Climate Indicators	Transposition Assessment	Implementation Status	Descriptions
National greenhouse gas emissions monitoring and reporting systems			Although compilation of a GHG inventory is progressing, legislation defining national systems for policies, measures and projections has not been adopted yet, therefore there is no full compliance with Regulation (EU) 525/2013. In 2021, the Law on Climate Change is supposed to be adopted.
National Energy and Climate Plans (NECPs)			Drafting has commenced, while target setting and the development of scenarios are still missing. A draft of the NECP has not been submitted to the Secretariat for review.

Kosovo\* is not a signatory party of the United Nations Framework Convention on Climate Change (UNFCCC). There is currently no legal basis for drafting Nationally Determined Contributions, no targets set for 2030 and no regular reporting is undertaken. However, Kosovo\* developed a GHG inventory covering the periods 2008 - 2017 and is expected to publish the next inventory report for 2018 by the end of 2020. Currently, provisions on climate are only included in the Law on Air Protection from Pollution.

Efforts have been made however to align Kosovo\*'s legislation and policy framework to the EU climate acquis. The 2019 - 2028 National Strategy and Action Plan on climate change have been approved by the Government and the draft Climate Change Concept Paper is expected to be approved by the end of 2020. If fully implemented, these can provide a sound basis for tackling climate change. Also the Administrative Instruction for Monitoring Greenhouse Gas Emissions defines the governance, inter-institutional arrangements and deadlines for providing data on greenhouse gas emissions. Although Kosovo\* has dedicated climate legislation in place and compilation of GHG inventory is progressing, legislation defining national systems for policies, measures and projections has not been introduced. Also,

there is little evidence of climate change being mainstreamed in government projects. The missing provisions are planned to be included in the draft Law for Climate Change, the adoption of which is scheduled for 2021.

Kosovo\* has adopted several documents as the legal basis for the preparation and adoption of its National Energy and Climate Plan (NECP) including Decision Nr. 1878 for establishing the Working Group for Developing the National Plan for Energy and Climate, the Strategic Document Plan 2020 - 2022 and the Government Working Plan. However the Law on Climate Change and the Climate Change Concept Paper is yet to be adopted. Kosovo\* has set up a national working group and six thematic working groups to draft the NECP. Drafting and analytical work leveraging on the LEAP tool have started with international support. Target setting is yet to be commenced, targets will probably be based on the Energy Strategy High Scenario 2017 - 2026 to be extrapolated up to 2030. The definition of the policy scenario is also still pending and requires further studies. Once targets and policy scenarios are approved, the NECP working group will finalize the draft. There is no time-frame for submitting the NECP to the Secretariat.



## Kosovo\* Infrastructure

### Infrastructure Implementation

Infrastructure Indicators	Transposition Assessment	Implementation Status	Descriptions
National competent authority			The national competent authority was established by a decision of the Minister of Economic Development in 2017. However, it has failed to report on the progress of the current PECE project to the Secretariat and the Electricity and Gas Groups, as required by Regulation (EU) 347/2013.
Manual of procedures			The Ministry of Economic Development published the manual of procedures, as defined by Regulation (EU) 347/2013.
National regulatory authority involvement			Kosovo*'s regulatory authority published the methodology and criteria required by the Regulation in 2017.

Kosovo\* is one of the few Contracting Parties that have transposed Regulation (EU) 347/2013. The Minister of Economic Development adopted the Administrative Instruction on the Promotion of Joint Regional Investments in the Energy Sector in February 2017. A national competent authority was also designated. The national competent authority should start reporting

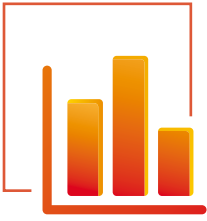
to the corresponding PECE Groups and the Energy Community Secretariat on the project developments immediately. This is particularly important since Kosovo\* participates in two projects which are proposed for a PECE label in 2020 (ALKOGAP and North Macedonia – Albania interconnector).

Proposed 2020 PECE/PMI projects: **2**




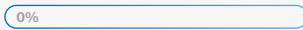


Gas: **2**

PECE: **2**





## Statistics Implementation

Statistics Indicators	Transposition Assessment	Implementation Status	Descriptions
Annual statistics			The annual questionnaires for 2018 were transmitted to EUROSTAT in accordance with the acquis. The questionnaire on the final energy consumption of households for 2018 was compiled and transmitted.
Monthly statistics			There is no monthly data yet.
Price statistics			Price statistics on electricity for 2019 were compiled and transmitted in accordance with the acquis.

The main non-compliance issue with respect to the statistics acquis in Kosovo\* is linked to monthly statistics. It still remained unresolved at the end of this reporting period.

The Kosovo Agency for Statistics (KAS) is established within the Prime Minister's Office with the task to coordinate the statistical system of Kosovo\*.

Since 2015, the annual questionnaires have been submitted to and published by EUROSTAT and the International Energy Agency. The breakdown of energy consumption of households is compiled by KAS and transmitted to EUROSTAT. Preliminary questionnaires with 2019 data are prepared and transmitted on time. KAS also prepared and transmitted the SHARES questionnaire. The quality report was prepared and submitted to EUROSTAT.

No monthly data are compiled or disseminated yet. KAS planned to begin implementation of the acquis related to monthly sta-

tistics in 2020 through a pilot project supported by the EU's Instrument for Pre-Accession Assistance, but this was put on hold due to the Covid-19 pandemic. The statistical survey plan for 2021 does not envisage any activities to implement obligations from Annex C and Annex D of Regulation (EC) 1099/2008.

Electricity prices per consumption band and breakdown by taxation level are submitted to and subsequently published by EUROSTAT. Price components for industrial end-users are reported in accordance with the acquis. The established compilation procedure enables regular price data reporting in compliance with the acquis.

Monthly data collection, as the only serious non-compliance issue, has to be tackled without delay. Priority has to be given to monthly data collection for oil in order to meet obligations under the oil stocks acquis and the related General Policy Guideline.



# Kosovo\*

## Cybersecurity

### Cybersecurity Implementation

Cybersecurity indicators	Transposition Assessment	Implementation Status	Descriptions
Institutions and legislation			The strategic cybersecurity goals are defined and the main defence mechanisms are implemented. However, the current framework should be amended to address cybersecurity in the energy sector. Critical infrastructure and services in energy have not been designated. The computer emergency response team KOS-CERT is the cybersecurity service provider for energy.
Requirements for operators and energy regulatory authority			Risk assessment and security requirements are broadly defined, including operators' security plans and reporting obligations. However, energy-specific legislation and policies needed by operators to implement the cybersecurity provisions of the acquis are missing. Powers and tasks of the energy regulators should be developed and enforced.

The national computer emergency response team (KOS-CERT) along with five complementary CERTs constitute the cyber defence capacity of Kosovo\* and cybersecurity policies are gradually being developed. The energy sector is not addressed to the level required by the acquis, measures for regional cooperation and energy-specific policies are missing.

The Electronic Communication Sector Policy - Digital Agenda for Kosovo\* 2013 - 2020 called for risk awareness in information and network security, creation of a computer emergency response team (CERT) and meeting the cybersecurity requirements of the national critical information infrastructures. It demands to ensure the security and integrity of electronic communication networks and services and to increase public and business confidence in the cyberspace. The Cybersecurity Strategy of Kosovo\* 2016 - 2019 called for the identification of critical infrastructure and services and includes references to energy. The follow-up Concept Paper on Network and Information Systems Security Measures, adopted by the Government in 2019, defines the responsibilities of different administrative bodies and promotes cross-sectoral cooperation in cybersecurity. The legislation is largely harmonized with the EU Convention on Cybercrime and implemented through the Ministry of Interior. There is no compliant legislation on cybersecurity for the energy sector yet.

The Law on Critical Infrastructure of 2018 transposes key provisions of Directive 2008/114/EC and recognizes energy production, transmission, distribution and storage of electricity, oil and gas as domains of critical infrastructures. It also provides basic criteria for identification and procedure for designation.

The implementation is delayed, however. Operators of critical infrastructure or services in energy are not designated yet. A draft law transposing EU Directive 2016/1148/EC (NIS Directive) is in preparation. The draft law addresses public energy utilities governed by the Ministry of Economy and Environment.

KOS-CERT is established and hosted by the Regulatory Authority for Electronic and Postal Communications (ARKEP), under the Law on Electronic Communications. It performs as an incident response coordinating unit, also providing communication, notification and information exchange between the affected parties and security service providers. The draft law will provide a legal basis for the creation of a CERT for Energy in Kosovo\*.

The Law on Critical Infrastructure defines a broad set of terms of risk assessment, based on geographical extent and severity. No quantitative criteria or energy-specific references are set. The Law also includes obligations for the development of operator's security plans including identification of critical assets, resources, risk analysis and interdependencies. The general requirements, without energy-specific considerations, include establishment of incident prevention and risk mitigation systems. Operators of critical infrastructures and services are obliged by the Law to report their security concerns to the responsible CERT and the Ministry of Internal Affairs.

There are no energy-specific reporting obligations or security requirements applied in the currently available regulatory framework. The Energy Regulatory Office ERO is not empowered or responsible for any cybersecurity consideration.